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## Remarks

The Office Action has been reviewed with care and certain amendments made which are believed to place this application in condition for allowance. Applicants appreciate the attention of the Examiner to this patent application

Claims 1-31 are withdrawn. Claims 32-61 were pending. New claims 64-67 are entered. Claims 38-40 have been canceled.

Claims 45 and 56 were rejected under 35 USC 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 45 is herein amended to avoid indefiniteness. Claim 56 states that the adhesive is printed onto the image. This is a preferred method of applying the adhesive to the image. The adhesive can be printed in substantially the exact manner that the ink is printed.

Claims 32-61 were rejected under 35 USC 103(a) as being unpatentable over U.S. Patent No. 6,143,407 to Lythgoe et al. in view of U.S. Patent No. 6,423,406 to Bilodeau and U.S. Patent No. 6,080,261 to Popat et al.

The Office Action states, in paragraph 8, that Lythgoe teaches a release layer which "acts as a functional equivalent to transferring graphics substrate-free." However, the graphic of Lythgoe is inherently not substrate-free since it itself forms a cohesive, fused, homogeneous plastisol layer or substrate (column 3, lines 4-5). Applicant's image is formed of conventional ink which does not form such a substrate. Instead, the Applicant's image is formed by a pattern of minute ink dots which are not cohered to one another by any other material. Claims 32 and 51 are herein amended to more clearly reflect that characteristic by stating that the image is supported *only* by the adhesive layer, as opposed to being supported by fused plastisol and the adhesive as in Lythgoe.

In paragraph 9, the Office Action states that it would have been obvious to modify Lythgoe to further include multiple inks such as in Bilodeau. As Lythgoe is directed toward single tone images comprised of a layer of homogeneous plastisol ink, it does not contemplate use of multiple inks to form "picture quality" images. Furthermore, it is apparent from Lythgoe that the ink layers used must go through the Lythgoe curing treatment and form a homogenous layer, therefore, the use of multiple ink layers in Lythgoe will not result in a

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"picture quality" image. It is clear that Lythgoe deals with simple label-type images which are formed by single tone fused layers. Lythgoe does not disclose that the high definition required in "picture quality" images is obtainable using its method or components.

In paragraph 10 of the Office Action, it is asserted that it would have been obvious to produce a combined thickness of the image, adhesive and release-finish of less than 5 mils (or 3 mils). However, Lythgoe states that its plastisol ink has three to four times the thickness of conventional ink, giving the Lythgoe ink much higher strength and elasticity (column 2, lines 22-28). This thickness is a desired characteristic in Lythgoe which states that the thickness and resulting stiffness of its indicia allows the indicia and adhesive to be lifted from the carrier without the surrounding adhesive (column 5, lines 52-55). Therefore, Lythgoe teaches against utilizing a thin image and suggests that the thickness of the fused plastisol layer is vital to its operation. In Applicant's invention, the thinness of the adhered image is critical to the goal of reducing edge discernment and increasing the durability of the applied image. Lythgoe does not share these goals and relies on increase decal thickness to achieve its own purpose. Therefore, a combination with the disclosure of Popat would result in an inoperable system which directly opposes the teaching of Lythgoe.

Because the Office Action states that claim 37 was not considered in its entirety, claim 37 has been amended to more clearly require the feature that the release-finish bonds to the substrate more strongly than the image bonds to the release-finish.

It is noted that Lythgoe expressly states that acrylic adhesives are not operable (column 3, lines 19-21) since acrylic adhesives are unaffected by migration of plasticizer and the Lythgoe transfer requires migration in order to function. Claim 35 previously required such an adhesive. New claims 62 and 67 each require that the adhesive be acrylic.

The combination of the cited prior art fails to disclose or suggest Applicant's claimed graphic transfer sheet. As stated above, Lythgoe requires use of a thick, fused, homogeneous plastisol layer which cannot form a picture quality image. There is no motivation to combine the inks from Bilodeau and/or Popat with the laminate structure of Lythgoe. In fact, as stated above, Lythgoe expressly pursues thick fused plastisol layers to form its images in order for the images to be removed from the receiving substrate as desired. Furthermore, the operability of a system using Bilodeau or Popat inks, or Lythgoe inks having the parameters

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disclosed in Bilodeau or Popat is doubtful since Lythgoe expressly discounts the ability of such inks in columns 1 and 2.

Applicant believes that all rejections have been traversed by amendment and/or argument and all claims are in proper form for allowance. Early favorable action is earnestly solicited. The Examiner is invited to call the undersigned attorney if that would be helpful in facilitating resolution of any issues which might remain.

Applicant believes that no fees are due; however, if any fees are due please debit Deposit Account 10-0270 and inform the undersigned.

Respectfully submitted,

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Dated: November 22, 2004 Jansson, Shupe & Munger, Ltd. 245 Main Street Racine, WI 53403-1034 Atty. Docket No. CLR-103US

CERTIFICATE OF FACSIMILE TRANSMISSION

I hereby certify that the following documents: (1) Transmittal Letter, (2) Amendment Transmittal Letter, (3) Amendment all involving Scrial No. 09/867,063 are being facsimile transmitted to Examiner Phong H. Nguyen, Group Art Unit 3724 at the U.S. Patent and Trademark Office, facsimile no. 703/305-7718, on November 22, 2004.